REPORT OF 1980 DRILLING

SHIMA RESOURCES LIMITED

TEXADA ISLAND PROPERTY

826342

NANAIMO MINING DIVISION

B.C., CANADA

NT.S 92 F-NE

LONGITUDE 49°43' NORTH

LATITUDE 124°32' WEST

BY KEITH C. FAHRNI, P.ENG.
CONSULTANT
7011 ANGUS DRIVE,
VANCOUVER, B.C.
V6P 5J6

JANUARY 1980

CONTENTS

1. INTRODUCTION

This report has been prepared to record work which was done during 1980 on property held by Shima Resources Ltd. on Texada Island, Nanimo Mining Division of B.C. The property extend across the island from the town of Vananda in the north to the town of Gillies Bay on the south and includes a number of old mines with records of production, the most recent operation being that of Texada Mines Ltd. The mineral claims comprising the property are shown on an accompanying map. Most of these are under contract from Ideal Basis and Ideal Cement Ltd. and some are held by Shima Resources. In total there are 108 located claims, 31 Crown grants and 3 mineral leases. They have recently been regrouped according to the new mining regulations and all are in good standing.

The work which was done follows recommendations of my report dated March 7th, 1980. Recommendations of Stage I were carried out with slight modification. The estimation of costs for the Stage 1 work was $138,750 for 1850 meters of drilling in 12 drill holes based upon an estimated rate of $75.00 per meter.

Work recommendations beyond Stage I were contingent upon the results of the proposed Stage I drilling.

2. SUMMARY AND CONCLUSIONS

The drilling carried out during 1980 totalled 1501.8 meters of drill hole in 10 holes for a total cost of $99,077.61 which gives an average cost of $66.00 per meter. Work went ahead with little delay and benefited by having had the drill outfit stored on Texada Island during the 1979-1980 winter season. The work was concentrated on three mineral claims which covered the six geophysical anomalies defined by Ager's report of July 7, 1979.

2.1 LITTLE BILLIE GRID: This work was to investigate Ager's anomalies #1 and #2. All of this work was on McLeod No. 3 M.C. Total length drilled was 848.6 meters in DHs SR 80-1 through to SR80-5 at a pro-rated cost of

$54,978.85. SR80-1 checked Anomaly #1, a combined gravity and I.P. anomaly which lay above the projected intersection of the floor of the limestone basin with the Little Billie diorite stock. At the projected depth the diorite was intersected with only a little skarn on the contact where mineralization was expected. A small amount of molybdenite was noted but assays showed only 0.069%Mo over 2.3 meters. Holes SR80-2 to 5 provided additional follow up at closer spacing on the good values previously obtained from drill hole SR79-1. All of these holes ended in the diorite stock and none showed any significant mineralization.

2.2 The Lake North program was to check Ager's anomalies No. 5 and 6 which were due to higher gravity values and I.P. indications. The work was done on Lime M.C. Three drill holes had a total length of 399.0 meters being SR80-6 to SR80-8. The pro-rated cost of this work was $26,354.64. The drilling proved the effectiveness of the gravity survey in identifying up-swellings of basement volcanics. Considerable quantities of fine grained pyrite and some garnet and magnetite were found at the contact between the overlying limestone and the volcanics but assays failed to show the presence of significant mineralization except for one sample in SR80-7 located entirely within the basement volcanics which assayed 0.082 ounces per ton in gold over 1.0 meters.

2.3 The Basic II program was drilled to check anomalies #3 and #4 identified by Ager's geophysical survey. Work was entirely on Basic II Mineral claim. Two holes, SR80-9 and SR80-10 totalled 254.2 meters. The pro-rated cost of the work was $16,744.12.

The drill holes showed two intersecting dykes, one being a wide diorite dyke which apparently underlies the entire lake and muskeg and the other is a traverse andesite dyke. Substantial amounts of epidote alteration occur with some pyrite but sampling failed to indicate any mineralization of interest.

3. RECOMMENDATIONS

3.1 It is recommended that the amounts of drilling expenditures for 1980 as pro-rated to the three mineral claims listed be recorded in favour of the claims with the district Mining Recorder at Nanaimo. In this way a credit will be established which can be used at some future time for the benefit of claims groups in which its claims occur.

3.2 On the Little Billie prospect, inspite of the negative results from the 1980 drill program, the fact that two mining operations once existed here makes it the property with the best exploration hopes. Any further exploration efforts should be based upon a detailed assessment of the geology of the entire area including the old mines and earlier drill holes as well as the recent drilling by Shima in the anomalous area identified by Ager's geophysical survey. The interesting junction of the floor of the limestone syncline with the Little Billie diorite still remains to be located and further exploration for this feature is recommended.

3.3 Further drilling in the Lake North area is recommended. While the 1980 drill holes did not cut any interesting mineralization, the position of the synclinal structure in which the Lake ore body of Texada Mines lies has been defined. Although drill holes from surface will be long (over 150 meters) there should be a good success ratio. The hope would be that a greater proportion of precious metals will be present further back from the Gillies Bay diorite body. Ultimate mining access would be possible through the adit incline from the floor of Lake pit with dewatering.

3.4 It is recommended that interest in the Basic II area be dropped. Although the apparent magnetic anomaly was not explained, the complete absence of metal values in the samples from the drill holes is discouraging.

4. DETAILED REPORT

4.1 Summary of Drillers Log Sheets

Note: Drill crews worked shifts of 10 hours.

LITTLE BILLIE AREA — MARCH 25 to APRIL 3, 1980

Hole No.	Date	Shift No.	ADVANCE (FT) From	To	Net	LENGTH Ft.	M.	Remarks
SR80-1	25/3/80	D2	-	-	-			Gathering equipment, travel
	26/3/80	D2	-	-	-			Working on outfit modification
	27/3/80	D2	-	-	-			Moving and setting up
	28/3/80	D	0	102	102			Drilling
		A	102	200	98			"
	29/3/80	D	200	345	145			"
		A	345	458	113			"
	30/3/80	D	458	563	105			"
		A	563	666	103			"
	31/3/80	D	666	756	90			"
		A	756	827	71			"
	1/4/80	D	827	888	61			"
		A	888	954	66			"
	2/4/80	D	954	1044	90			"
		A	1044	1054	10	1054	321.3	Drilling and tear down
	3/4/80	D						Store outfit. demob.

LITTLE BILLIE AREA — JUNE 10-22, 1980

Hole No.	Date	Shift No.	ADVANCE (FT) From	To	Net	LENGTH Ft.	M	Remarks
SR80-2	10/6/80	(1)						Travelling
	11/6/80	(2)	0	10	10			Set up & Drilling
	12/6/80	D	10	116	106			Drilling
		A	116	218	102			"
	13/6/80	D	218	327	109	327	99.67	Finished hole
		A	-	-	-			Tear down

Hole No.	Date	Shift No.	ADVANCE (FT) From	To	Net	LENGTH Ft.	M.	Remarks
SR80-3	14/6/80	D	0	24	24			Set up and drill
		A	24	103	79			Drilling
	15/6/80	D	103	208	105			Drilling
		A	208	301	93			Drilling
	16/6/80	D	301	427	126			Drilling
		A	427	494	67	494	150.57	Finished Hole
SR80-4	17/6/80	D	0	28	28			Set up & drilling
		A	28	148	120			Drilling
	18/6/80	D	148	308	160			Drilling
		A	308	418	110			Drilling
	19/6/80	D	418	501	87	501	152.70	Finish Hole
		A	-	-	-			Tear Down
SR80-5	20/6/80	D	0	43	43			Drilling
		A	43	163	120			Drilling
	21/6/80	D	163	265	102			Drilling
		A	265	345	80			Finished Hole
	22/6/80	A	345	408	63	408	124.36	

LAKE NORTH AREA — JULY 7 - 22, 1980

SR80-6	7/7/80	D(2)						Travelling
	8/7/80	D(2)						Moving rig to site
	9/7/80	D	0	38	38			Finish set-up
		A	38	89	51			Rods stuck, lights out
	10/7/80	D	89	191	102			Repairs & drilling
		A	191	248	57			Light Plant quit
	11/7/80	D	248	373	125			Repairs & drilling
		A	373	474	101	474	144.5	Broke shaft
SR80-7	12/7/80	D(2)						Repairs & moving
	13/7/80	D(2)						Move & set up
	14/7780	D						Service drill
		A	0	51	51			Drilling
	15/7/80	D	51	152	101			Drilling
		A	152	230	78			Drilling & blocking

SR80-7 continued....

Hole No.	Date	Shift No.	ADVANCE (FT) From	To	Net	LENGTH Ft.	M.	Remarks
SR80-7 cont'd	16/7/80	D A	230 247	247 277	17 30			Helper quit Water short, broken
	17/7/80	D A	277 331	331 363	54 32			Hole caving Bad ground
	18/7/80	D A	363 411	411 451	48 40			Cave in hole Broken ground
	19/7/80	D(2)	451	482	31	482	146.9	Drill & tear down
SR80-8	20/7/80	D A	0 74	74 145	74 71			Move & set up Drilling
	21/7/80	D A	145 221	221 327	76 106			Drilling Drilling
	22/7/80	D(2)	327	353	26	353	107.6	Finish and moving

BASIC II AREA JULY 23 - 29, 1980

SR80-9	23/7/80	D(2)						Moving Rig
	24/7/80	D A	0 103	103 281	103 178			Drilling Drilling
	25/7/80	D	281	423	142	423	128.9	Hole finished
SR80-10	25/7/80	A						Moving
	26/7/80	D A	0 95	95 193	95 98			Drilling Drilling
	27/7/80	D A	193 307	307 411	114 104	411	125.2	Drilling Drilling
	28/7/80	D(2)						Moving rig to yard
	29/7/80							Logged

TOTALS

Drilling Mechanical Delay Moving	59 3 19				4927	1501.8	72.8% of time 3.7% of time 23.5% of time
ALL DHs	81				4927	1501.8	Av. Advance 18.5 meters per shift

4.2 Location of Drill Hole Collars

The drill holes are located in three distinct areas as defined by the geophysical survey. In each area a grid line which was laid out by the geophysical crews was used as the control for hole location and after the drilling was completed simple surveys by tape and compass tied the drill hole collars to the grid stations. The coordinates of the holes are given in terms of the grid location for each of the three areas as shown on the accompanying location map. Elevations were obtained from the elevations provided by the geophysical survey at grid points with interpolation to the drill hole collar locations. Results are tabulated below and are indicated on accompanying sketches.

GRID AREA	HOLE NO.	LAT	DEP	ELEV.	BEAR.	INCLIN	LENGTH
L. Billie	SR80-1	2 + 50S	1 + 50E	83.8	-	- 90°	321.3
	SR80-2	0 + 50S	1 + 80E	34.1	-	- 90°	99.7
	SR80-3	0 + 68S	1 + 83E	36.1	-	- 90°	150.6
	SR80-4	0 + 73S	2 + 10E	36.6	-	- 90°	152.7
	SR80-5	0 + 50S	2 + 20E	33.6	-	- 90°	124.3
	TOTAL FOR L. BILLIE AREA						848.6
LAKE N.	SR80-6	0 + 00S	1 + 91E	177	-	- 90°	144.5
	SR80-7	0 + 29N	1 + 00E	176	S56W	- 55°	146.9
	SR80-8	0 + 00N	1 + 92E	177	DueW	- 55°	107.6
	TOTAL FOR LAKE NORTH AREA						399.0
BASIC II	SR80-9	2 + 08N	0 + 98W	125	-	- 90°	128.9
	SR80-10	1 + 77N	0 + 12W	119	S27W	- 70°	125.3
	TOTAL FOR BASIC II GRID						254.2
		TOTAL YEAR TO DATE:			LITTLE BILLIE		848.6
					LAKE NORTH		399.0
					BASIC II		254.2
					TOTAL		1501.8

4.3 Geological Logging and Sampling

The geological logs have been prepared for each drill hole with an accompanying graphic log on the left hand edge of the log sheets. Copies of these log sheets are included in the appendix of this report. The interpretation of the

geology of each area drilled are shown on accompanying plans and sections of the three areas.

Samples were taken for assay from sections of the drill core in which there appeared to be mineral of possible significance. These sections were noted in the drill logs and the core was split into two parts longitudinally by means of a Longyear screw type core splitter. One half of the core sampled retained with the rest of the core in the core trays and the other portion was bagged with an accompanying identification tag for transport to the assayors. The core trays carrying the core from the 1980 drilling have been stored in a core shed maintained by Ideal Basics Ltd. on the old Texada Mines plant site. Previous Shima drill cores are stored in the same repository.

4.4 Assaying

Samples taken from the drill core from the 1980 drill program were taken to Vancouver and were submitted for assay to General Testing Laboratories. Base metals were determined by fluorometric methods of assay and precious metals were determined by fire assaying. The results of the assays are tabulated below. Copies of the assay certificates are included in the appendix of the report.

		ASSAYS			
LOCATION OF SAMPLE	SAMPLE NO.	GOLD OZ/ST	SILVER OZ/ST	COPPER %	MOLYBDENUM
DHSR80-1	095P	.002	Tr.	0.01	0.69
DHSR80-3	096P	.002	Tr.	-	
DHSR80-3	097P	.006	0.01	0.32	
DHSR80-5	098P	.008	TR.	-	
DHSR80-7	099P	.002	TR.	0.02	
"	100P	.002	TR.	0.01	
"	0151A	.082	TR.	0.02	
DHSR80-8	0152A	.012	TR.	0.08	
"	0153A	.006	TR.	0.04	
DHSR80-10	0154A	.002	TR.	0.01	
"	0155A	.002	TR.	0.01	
"	0156A	.008	TR.	0.02	
"	0157A	.008	TR.	0.01	
LAKE NOLD CUT.	0158A	.002	TR.	0.01	

4.5 Costs of Drill Program 1980

The costs of the drilling program are accumulated below under heading of "Drilling, "Core Handling" and "Engineering and Assaying." The invoices are listed by date below and copies of the actual invoices are included in the appendix of the report.

4.5.1 Drilling Costs

DATE	INVOICE	AMOUNT
April 11/80	D.J. Drilling - Footage Cost & Expenses	$18,162.09
May 20/80	D.J. Drilling - Demob for Hole 80-1	891.00
June 27/80	D.J. Drilling - Work June 10-23 SR80-2 to 80-5	26,298.05
July 31/80	D.J. Drilling - Work for July 7-29 SR80-6 to SR80-10	42,568.57
July 18/80	Wayne Benjam Transport of Drill July 18/80	200.00
Aug 15/80	Bens Welding - Moving drill rig	200.00
Sept. 26/80	H. Stacy - Roadwork and sump	150.00
	TOTAL	$88,468.71

4.5.2 Core Handling

July 2/80	Account S.L. Beale March 28/ to April	929.40
July 3/80	Account June 11-26 S.L. Beale	1,742.34
July 21/80	Account July 7 - July 21 S.L. Beale	1,761.62
Sept 1/80	Account July 22 - July 30 S.L. Beale	988.72
July 7/80	Texada Arms - Meals S.L. Beale	160.95
July 29/80	Texada Arms - meals S.L. Beale	147.15
July 11/80	Texada Food Market - groceries etc.	94.15
July 30/80	Centennial Service - gas and rental of truck	276.90
	TOTAL	$6,101.23

4.5.3 Engineering and Assaying

DATE	INVOICE	AMOUNT
July 3/80	R.W. Margetts - Travel expenses KCF/RWM	140.00
June 7/80	KCF Invoice - Drill hole eng. & expenses	1,648.68
Sept 8/80	KCF Invoice - DD reports & logs, assays etc.	2,717.99
	TOTAL	$4,506.67

TOTAL FOR ENGINEERING & ASSAYING $ 4,506.67

4.5.4 Total and Average Costs of Program

The costs as accumulated above are combined below with the total length drilled of 1501.8 meters to provide average values for future estimation.

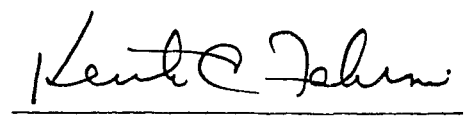
Cost Centre	Total $	Cost/M	Per Cent Total
Drilling	88,469.71	58.91	98.29%
Core Handling	6,101.23	4.06	6.16%
Engineering & Assays	4,506.67	3.03	4.55%
TOTAL	$99,077.61	66.00	100.00%

4.5.5 Drilling Costs pro rated to Areas

In all of the three areas rock and drilling conditions were quite similar. Because of the difficulty in assigning costs to individual drill holes, costs are pro-rated to each drilling area in proportion to the footage drilled. Results are as follows:

Area	Meters Drilled	Per Cent Total M.	Pro-Rated Cost
Little Bille	848.6	56.5%	$55,978.85
Lake North	399.0	26.6%	26,354.64
Basic II	254.2	16.9%	16,744.12
TOTAL	1501.8	100.0	$99,077.61

Respectfully submitted,



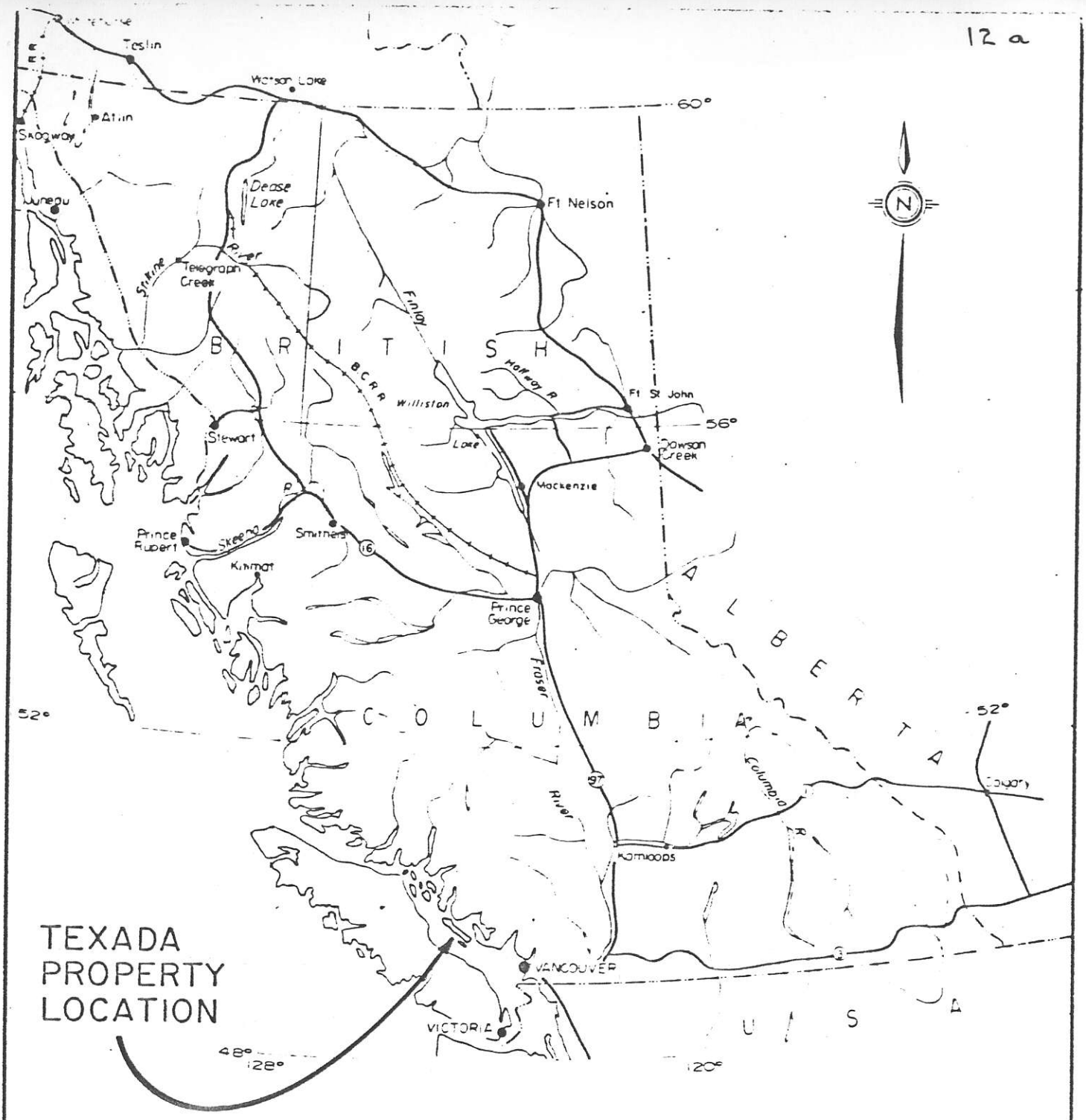
Keith C. Fahrni, P.Eng.
Consultant

January, 1981

5. MAPS AND SECTIONS

The following plans and cross sections are attached to show the setting of the claim group and the relative positions of the areas in which exploratory drilling was carried out during 1980. Larger scale plans and sections illustrate the relative positions of drill holes in each area and the geological pattern which was developed. For the larger scale plans and sections the reference systems indicated are the grid systems for each particular area as marked out by the geophysical field cre s for Ager's 1979 survey.

Maps and illustrations are as follows:



TEXADA PROPERTY LOCATION

SHIMA RESOURCES LIMITED

BOX 61 GILLIES BAY B.C.

TEXADA PROPERTY

SCALE

MILES 300 150 0 300 600 900 MILES

MAP No. 5·1

MAP 5·4

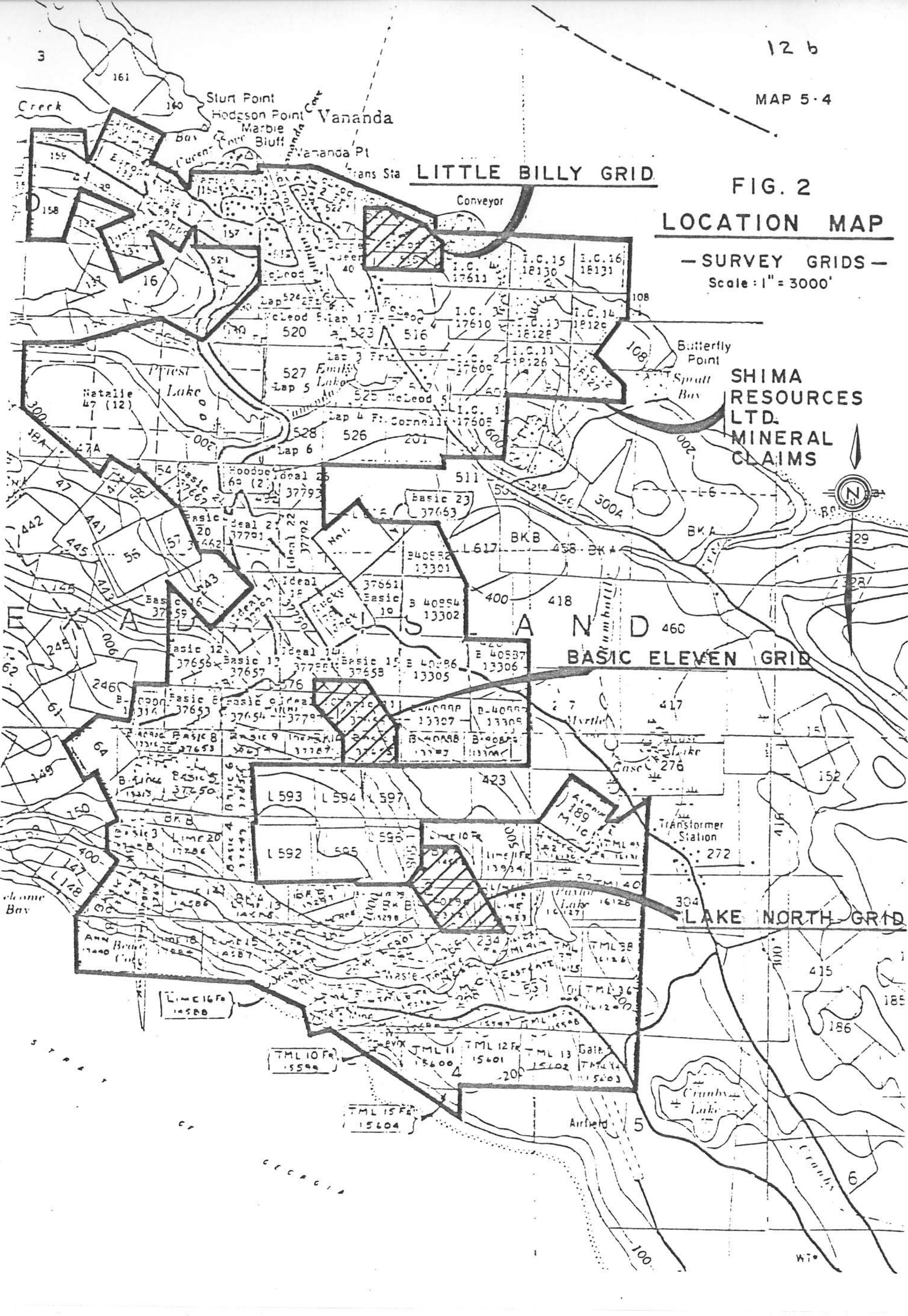
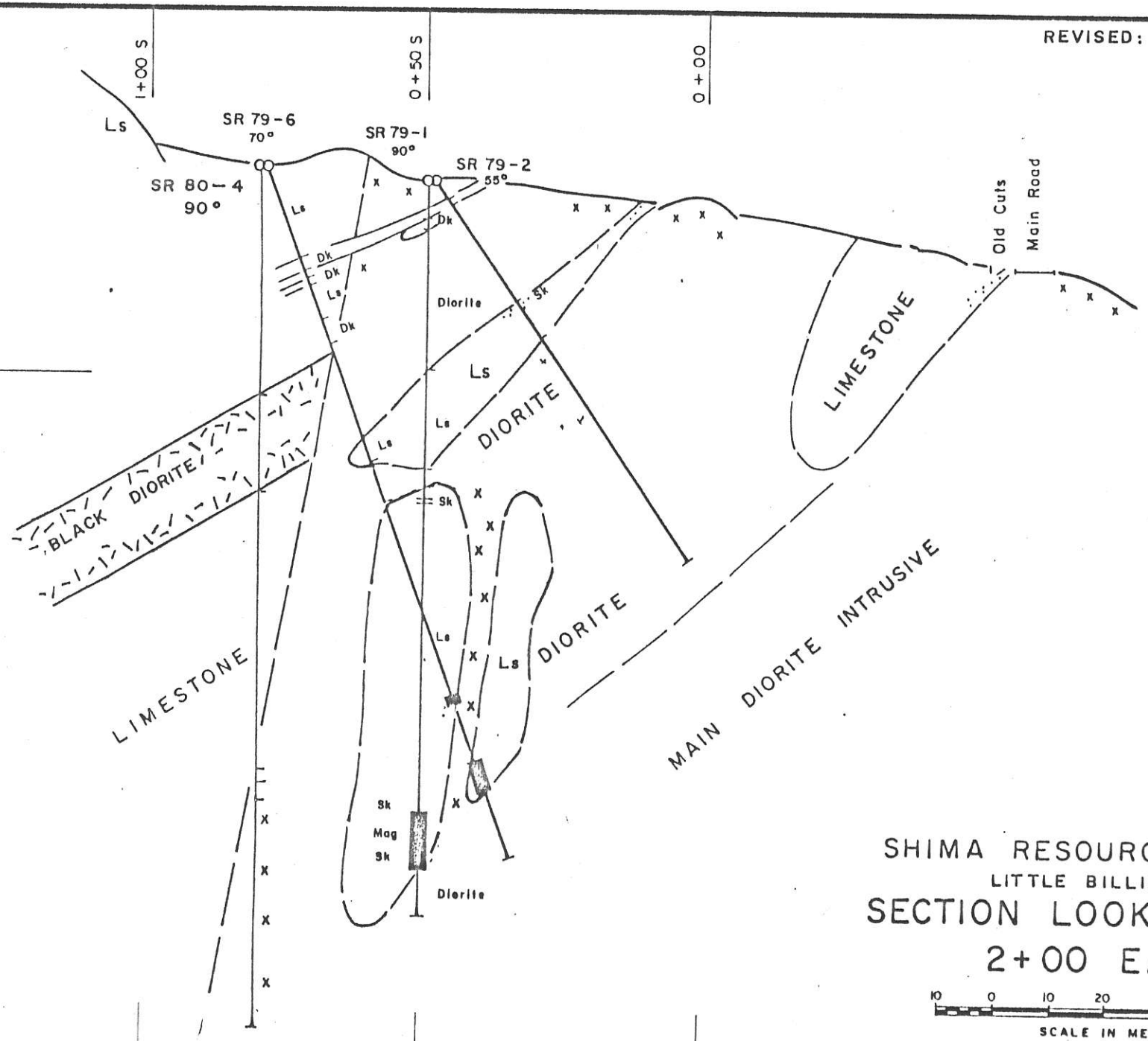


FIG. 2
LOCATION MAP
— SURVEY GRIDS —
Scale : 1" = 3000'

REVISED: JULY 16, 1980

MAP 5 · 7



SHIMA RESOURCES LIMITED

LITTLE BILLIE AREA

SECTION LOOKING WEST

2+00 EAST

10 0 10 20 30 40 50

SCALE IN METERS

JANUARY, 1981

K.C. FAHRNI

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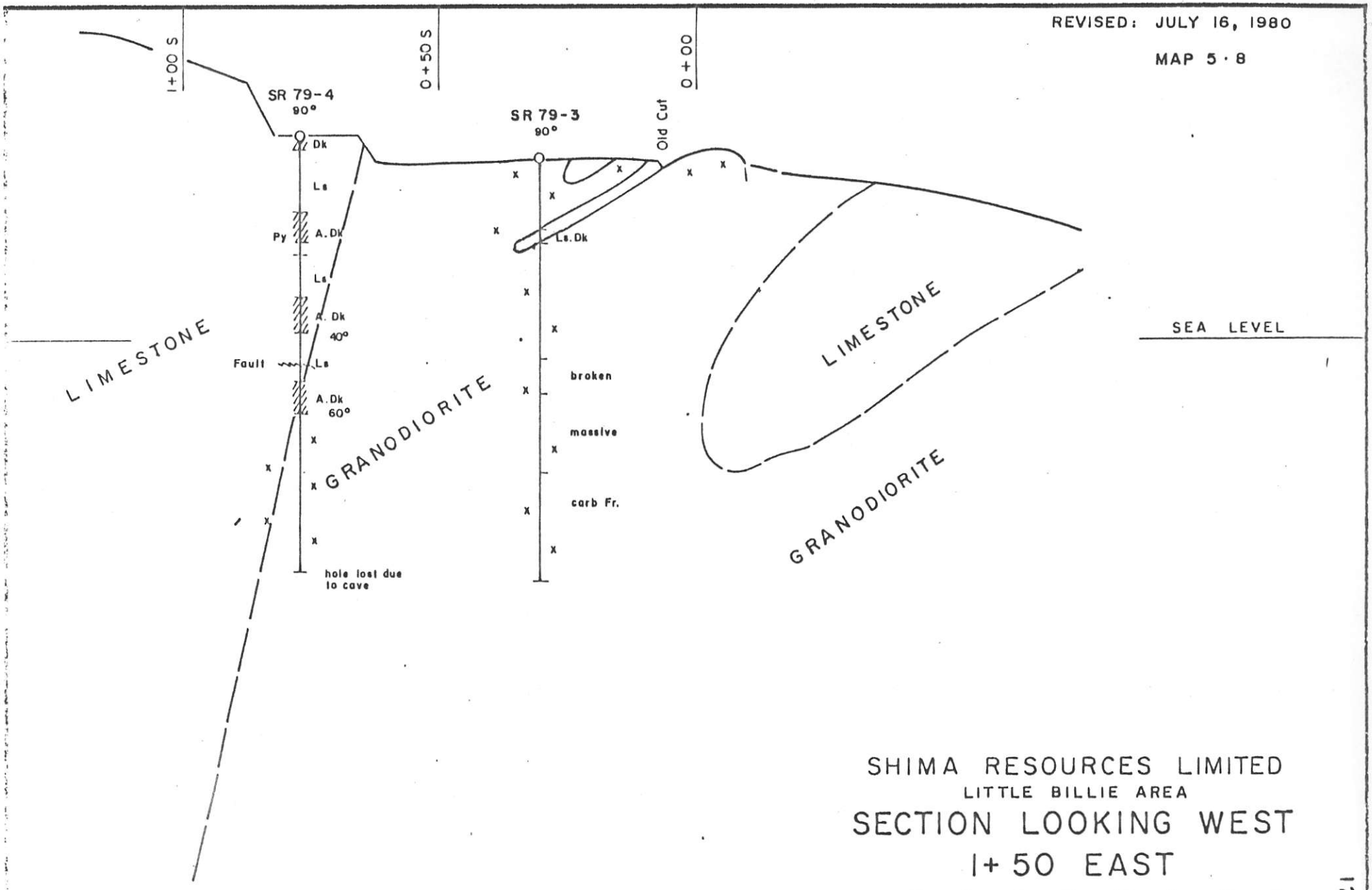
REVISED: JULY 16, 1980

MAP 5 · 8



SHIMA RESOURCES LIMITED

LITTLE BILLIE AREA

SECTION LOOKING WEST

1+50 EAST

10 0 10 20 30 40 50

SCALE IN METERS

JANUARY, 1981

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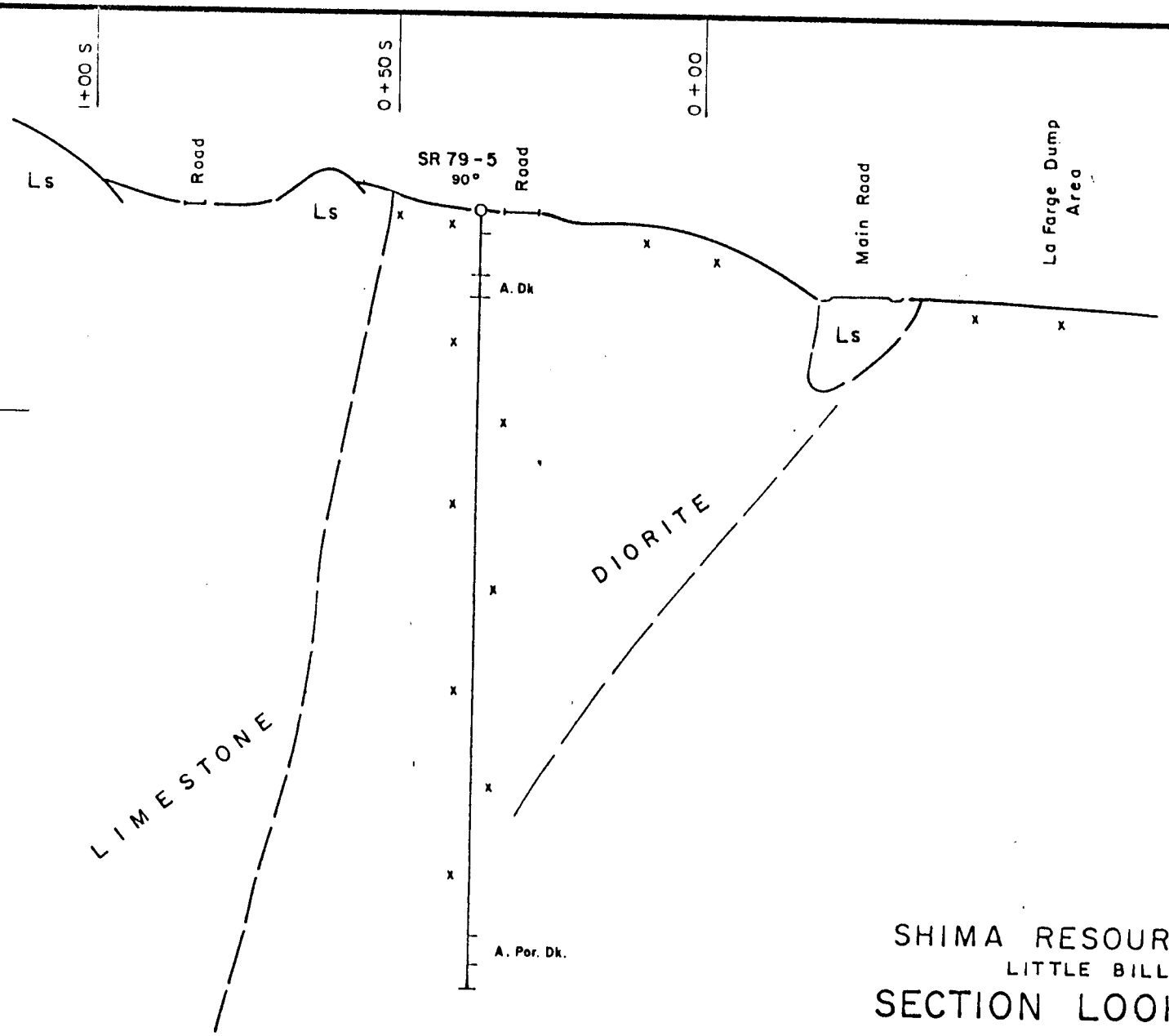
REVISED: JULY 16, 1980

MAP 5 · 9



SHIMA RESOURCES LIMITED

LITTLE BILLIE AREA

SECTION LOOKING WEST

2+50 EAST

10 0 10 20 30 40 50

SCALE IN METERS

JANUARY, 1981

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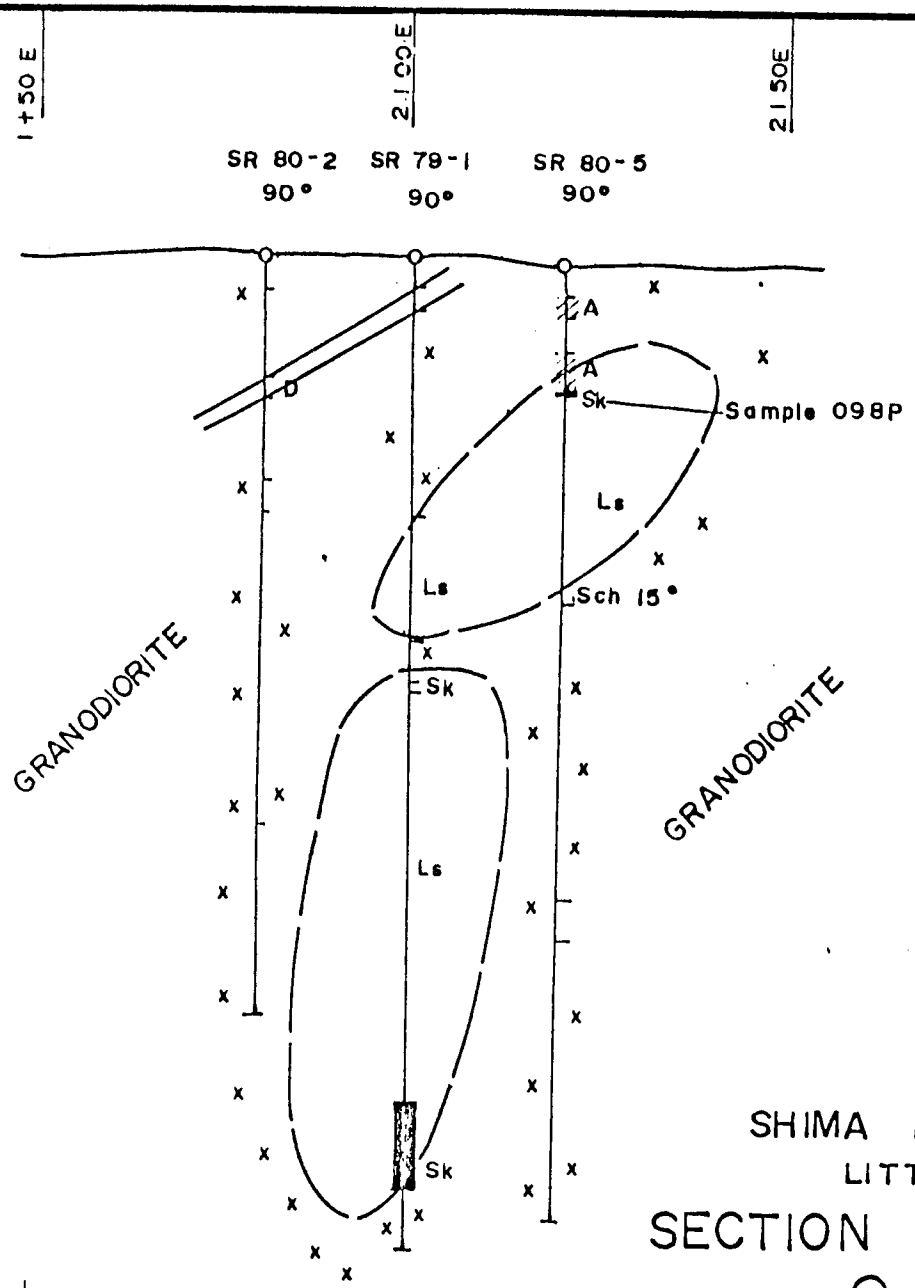
MAP 5 · 10



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LITTLE BILLIE AREA

SECTION LOOKING NORTH

0+50 SOUTH

SCALE, 1 = 1000

JANUARY, 1981

K.C. FAHRNI

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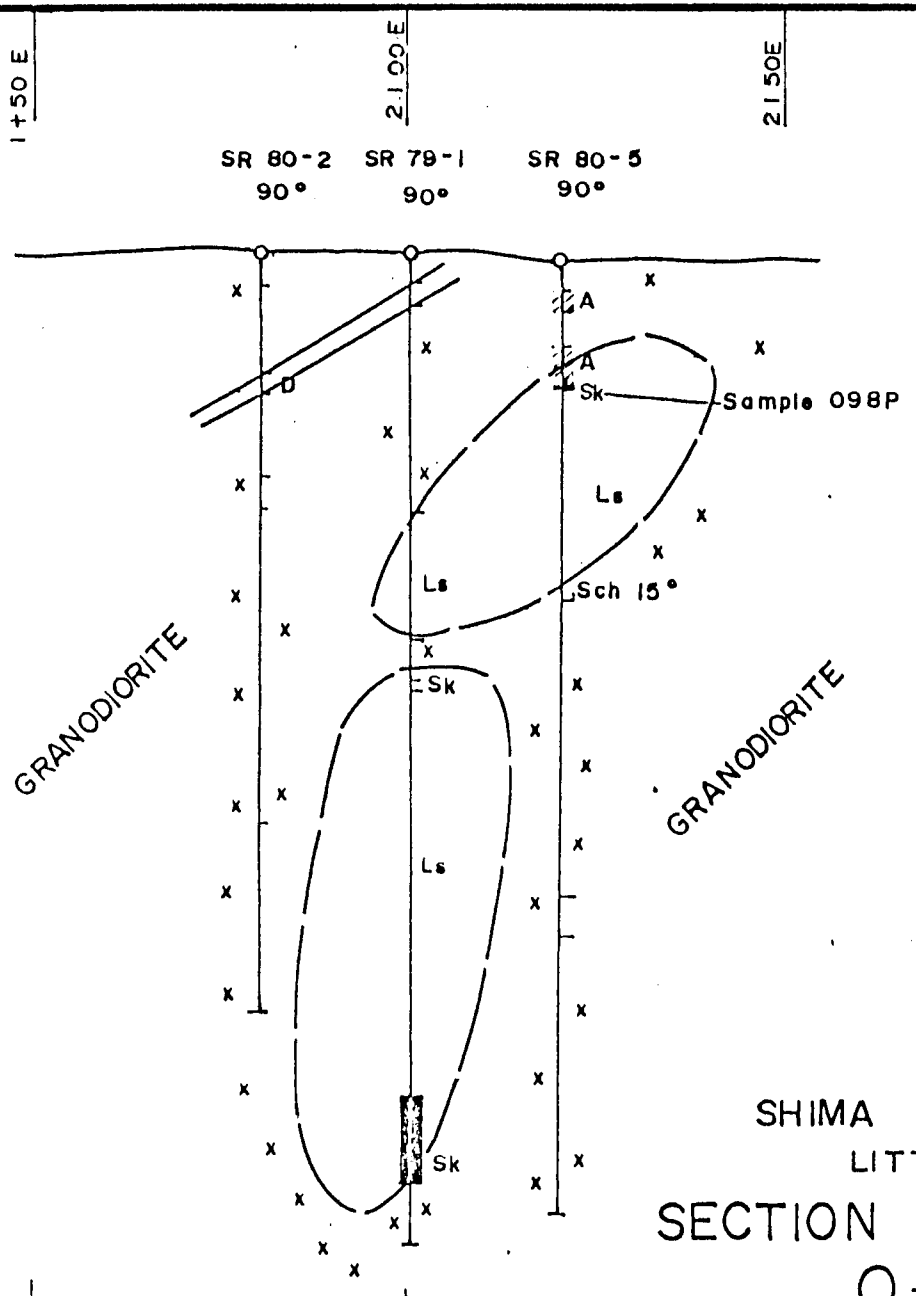
MAP 5 · 10



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LITTLE BILLIE AREA

SECTION LOOKING NORTH

0+50 SOUTH

SCALE, 1 : 1000

JANUARY, 1981

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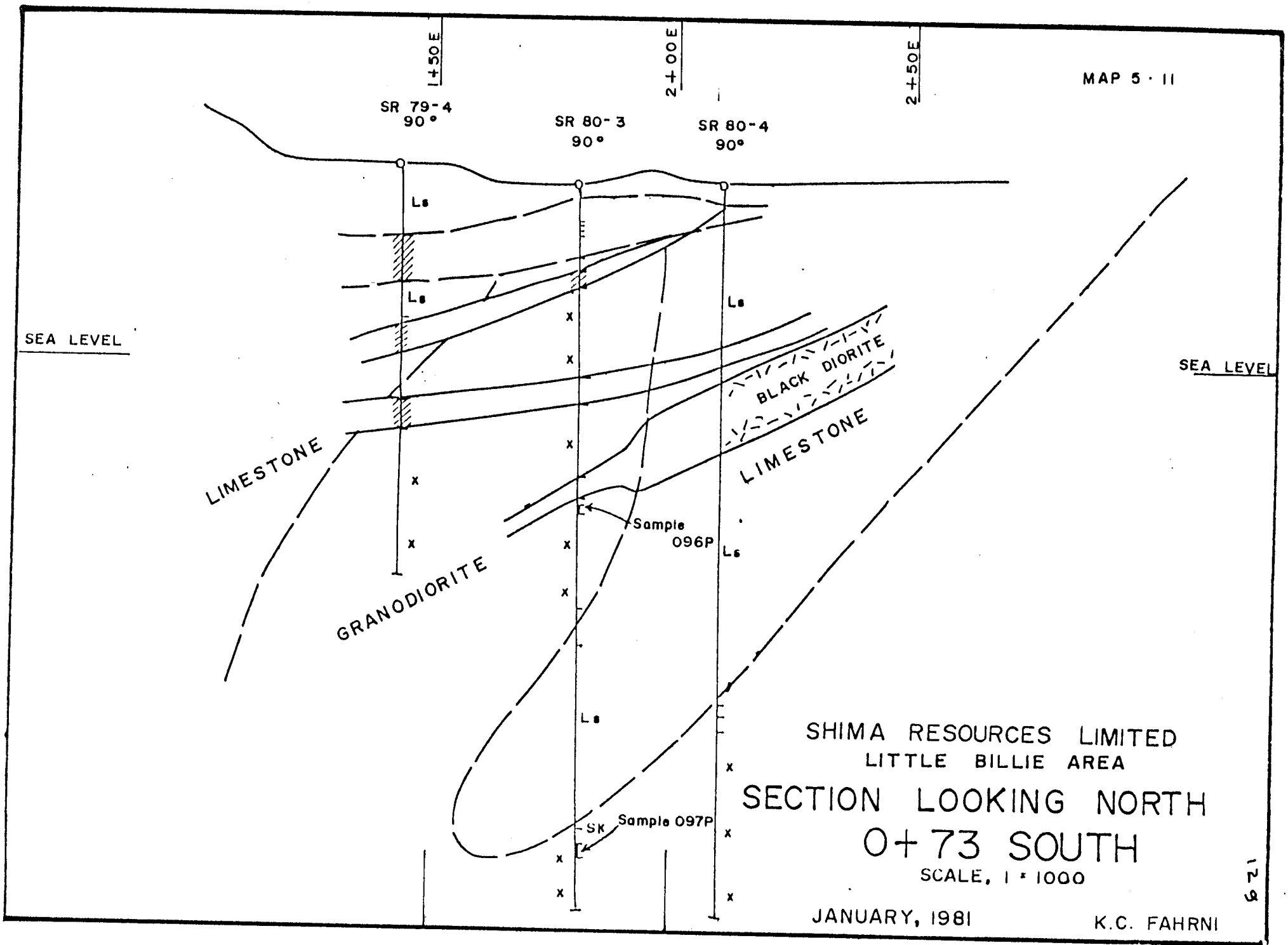
1+50E
2+00E
2+50E
MAP 5 · 11
SR 79-4
90°
SR 80-3
90°
SR 80-4
90°
Ls
Ls
Ls
Ls
Ls
SEA LEVEL
SEA LEVEL
BLACK DIORITE
LIMESTONE
LIMESTONE
GRANODIORITE
Sample
096P
SK
Sample 097P
SHIMA RESOURCES LIMITED
LITTLE BILLIE AREA
SECTION LOOKING NORTH
0+73 SOUTH
SCALE, 1 = 1000
JANUARY, 1981
K.C. FAHRNI
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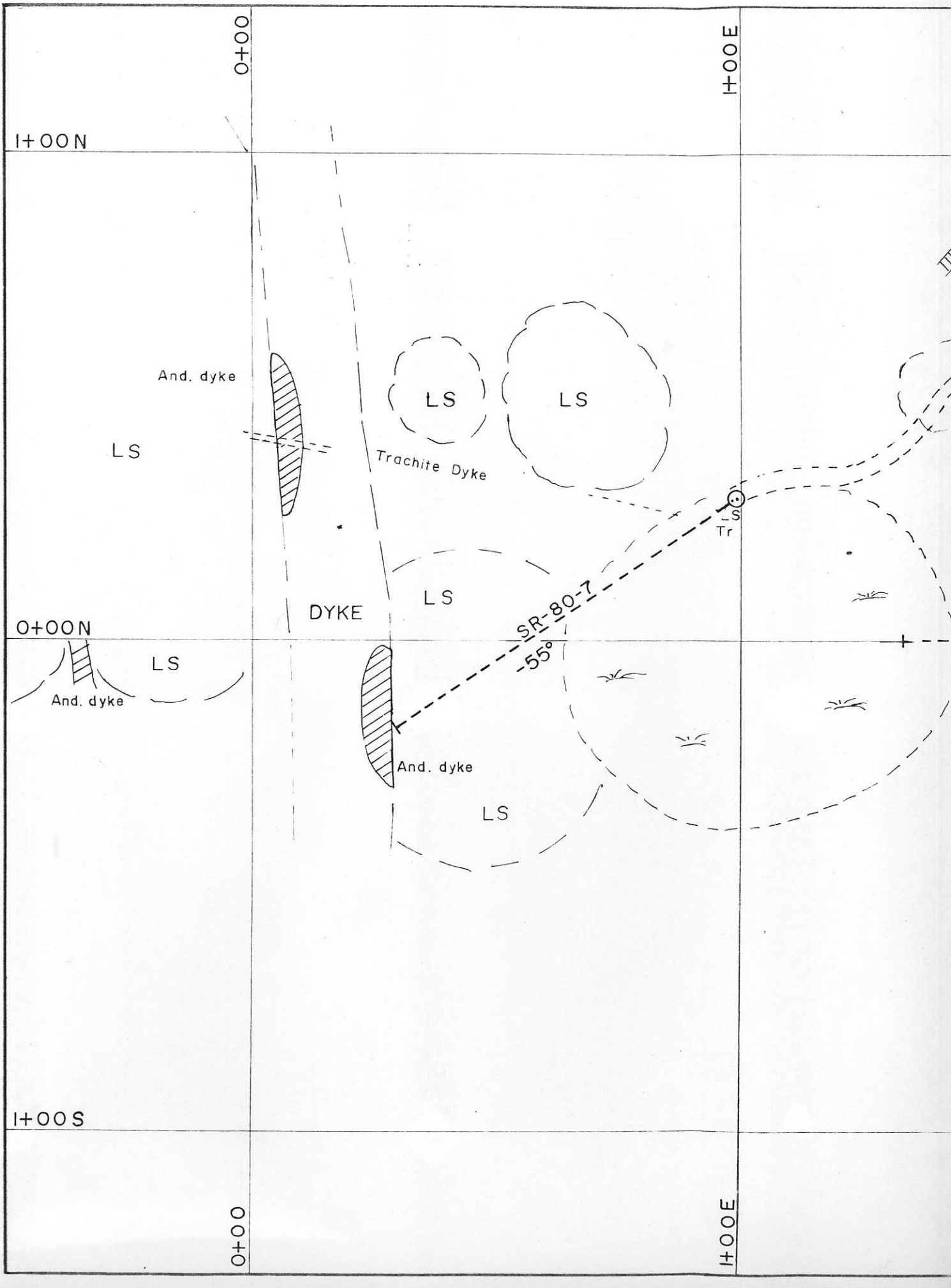
6. REFERENCES

6.1 Gravity Survey Texada Island Claim Group
Shima Resources Ltd.
C.A. Ager Ph.D., P.Eng. - January 31, 1978.

6.2 Shima Resources Ltd. Property
Texada Island, B.C.
K.C. Fahrni, P.Eng. - March 15, 1978.

6.3 Gravity, I.P., Magnetic and E.M. Survey
Texada Island Claim Groups
Ager & Berretta - July 9, 1979

6.4 Proposal for 1980 Drilling and Report of 1979 work.
Shima Resources Ltd., Texada Island B.C.
K.C. Fahrni, P.Eng. - March 7, 1980.


0+00
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And. dyke
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Trachite Dyke
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DYKE
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SR-80-7
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And. dyke
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1+00S
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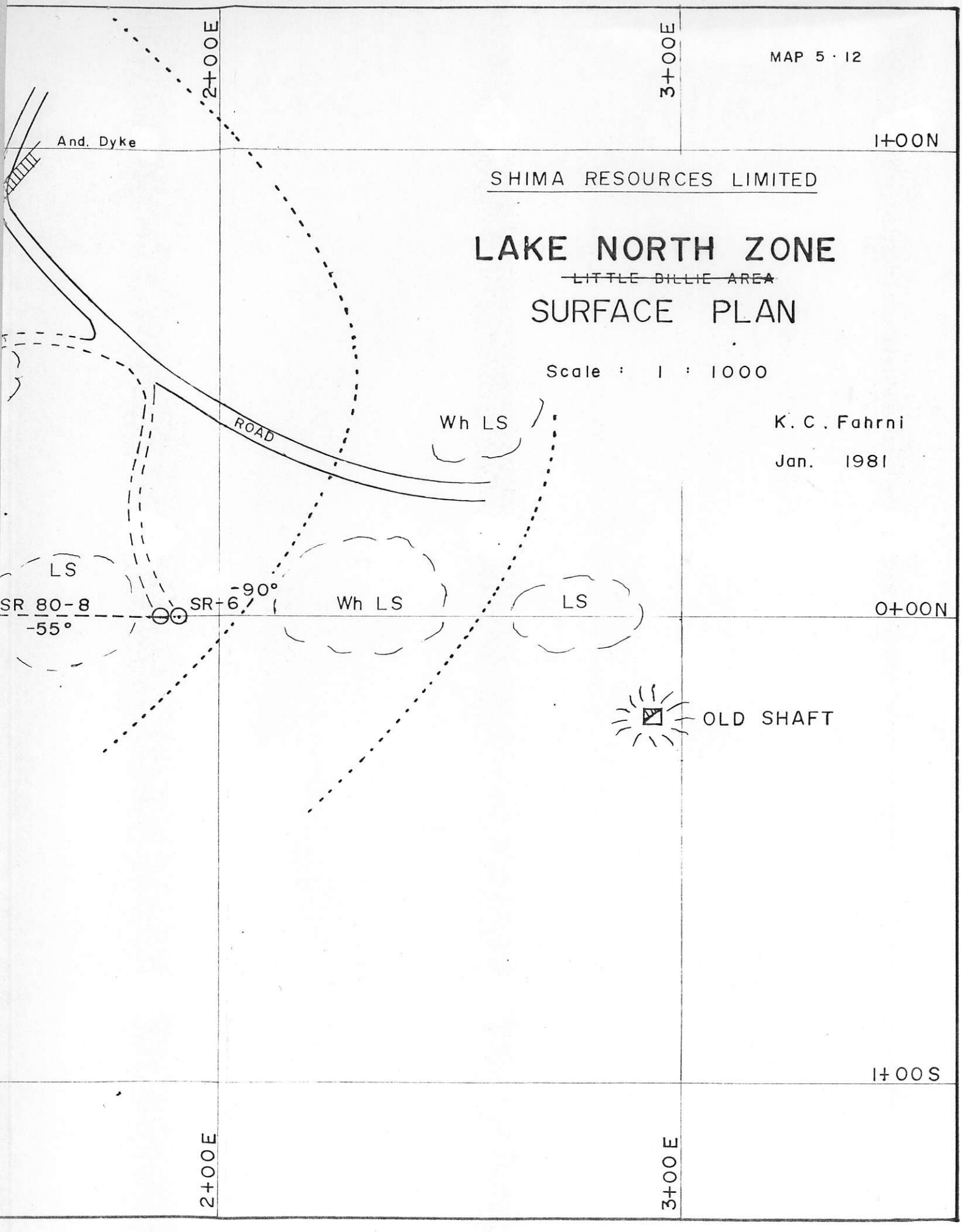
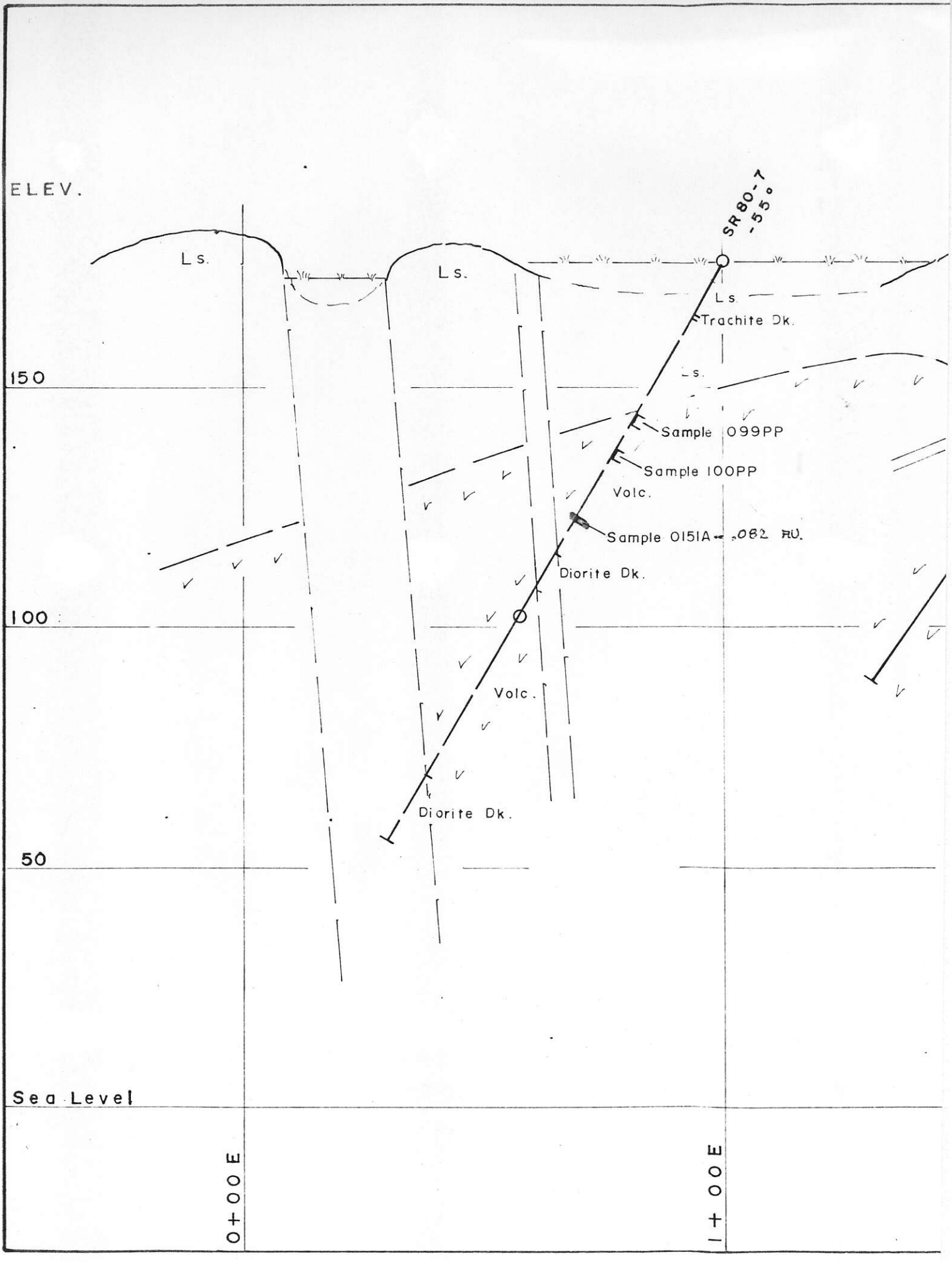
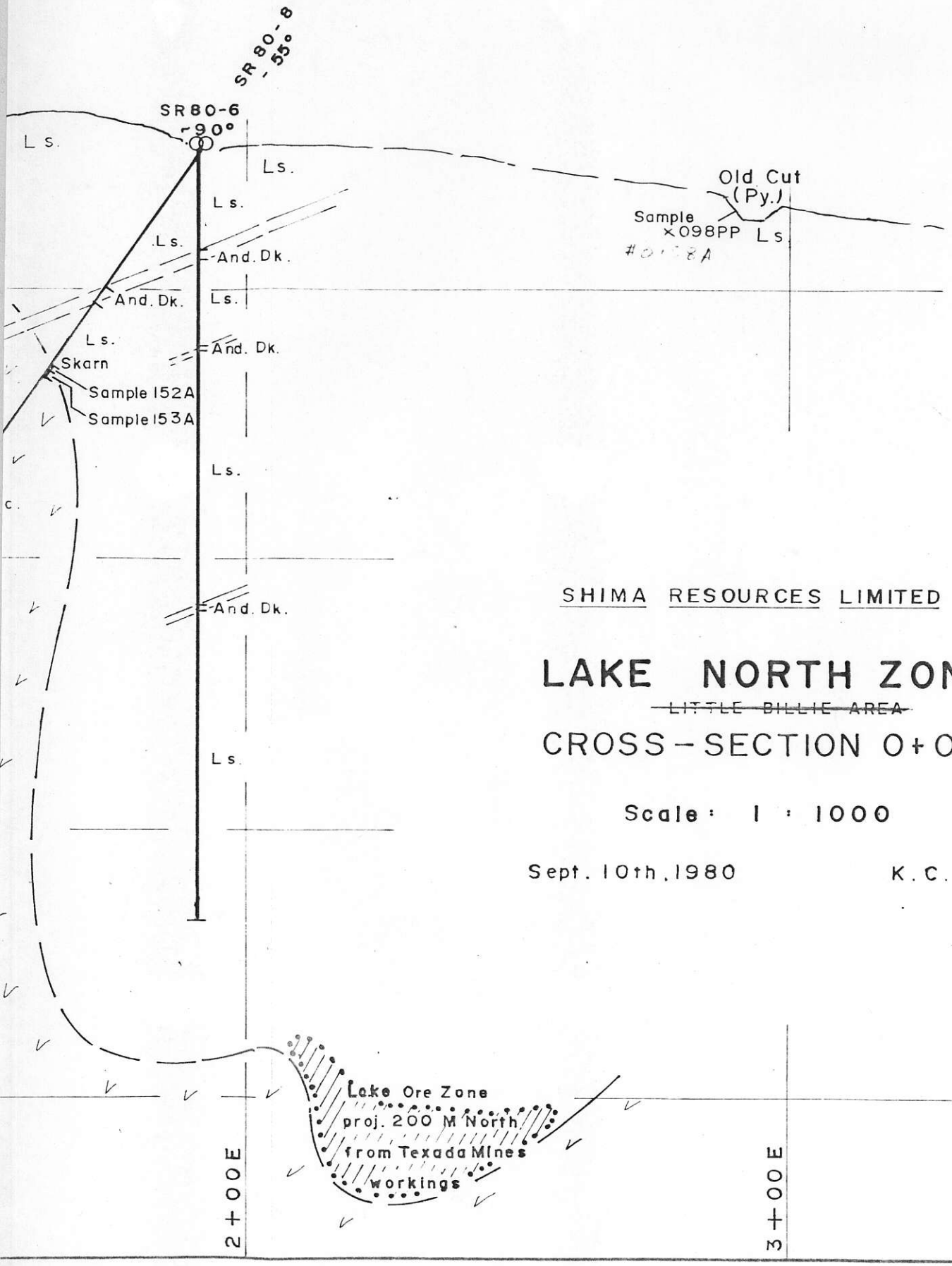

MAP 5 · 12
2+00E
3+00E
And. Dyke
1+00N
SHIMA RESOURCES LIMITED
LAKE NORTH ZONE
~~LITTLE BILLIE AREA~~
SURFACE PLAN
Scale : 1 : 1000
K. C. Fahrni
Jan. 1981
ROAD
Wh LS
LS
SR 80-8
-55°
SR-6
-90°
Wh LS
LS
0+00N
OLD SHAFT
1+00S
2+00E
3+00E


ELEV.
SR80-7
-55°
Ls.
Ls.
Ls.
Trachite Dk.
Ls.
150
Sample 099PP
Sample 100PP
Volc.
Sample 0151A - .082 AU.
Diorite Dk.
100
Volc.
Diorite Dk.
50
Sea Level
0+00E
1+00E



SHIMA RESOURCES LIMITED

LAKE NORTH ZONE

~~LITTLE BILLIE AREA~~

CROSS-SECTION 0+00N

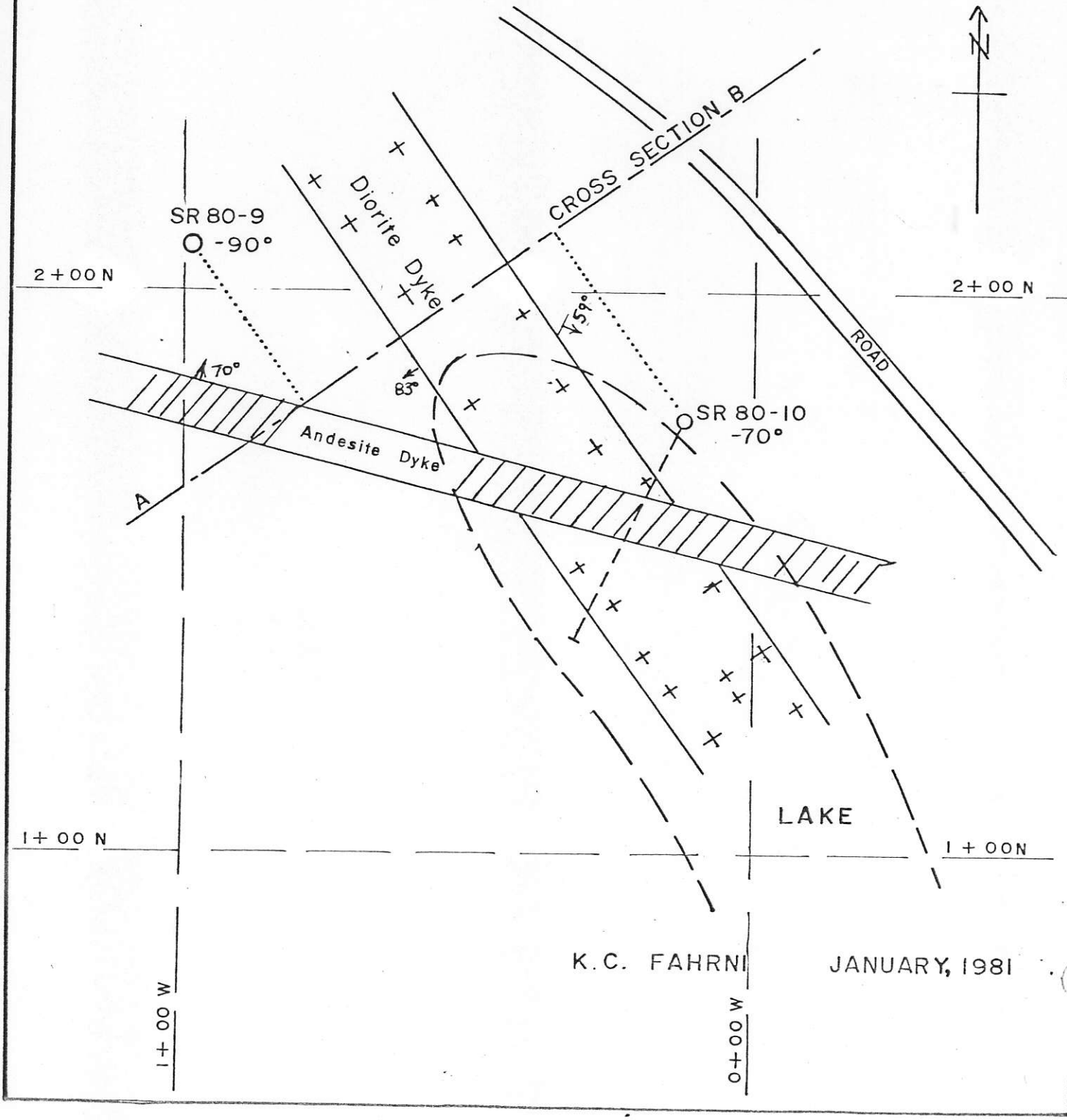
Scale: 1 : 1000

Sept. 10th, 1980 K. C. Fahrni

SHIMA RESOURCES LIMITED
BASIC II

D.H.s SR 80-9 & SR 80-10

MAP 5-14

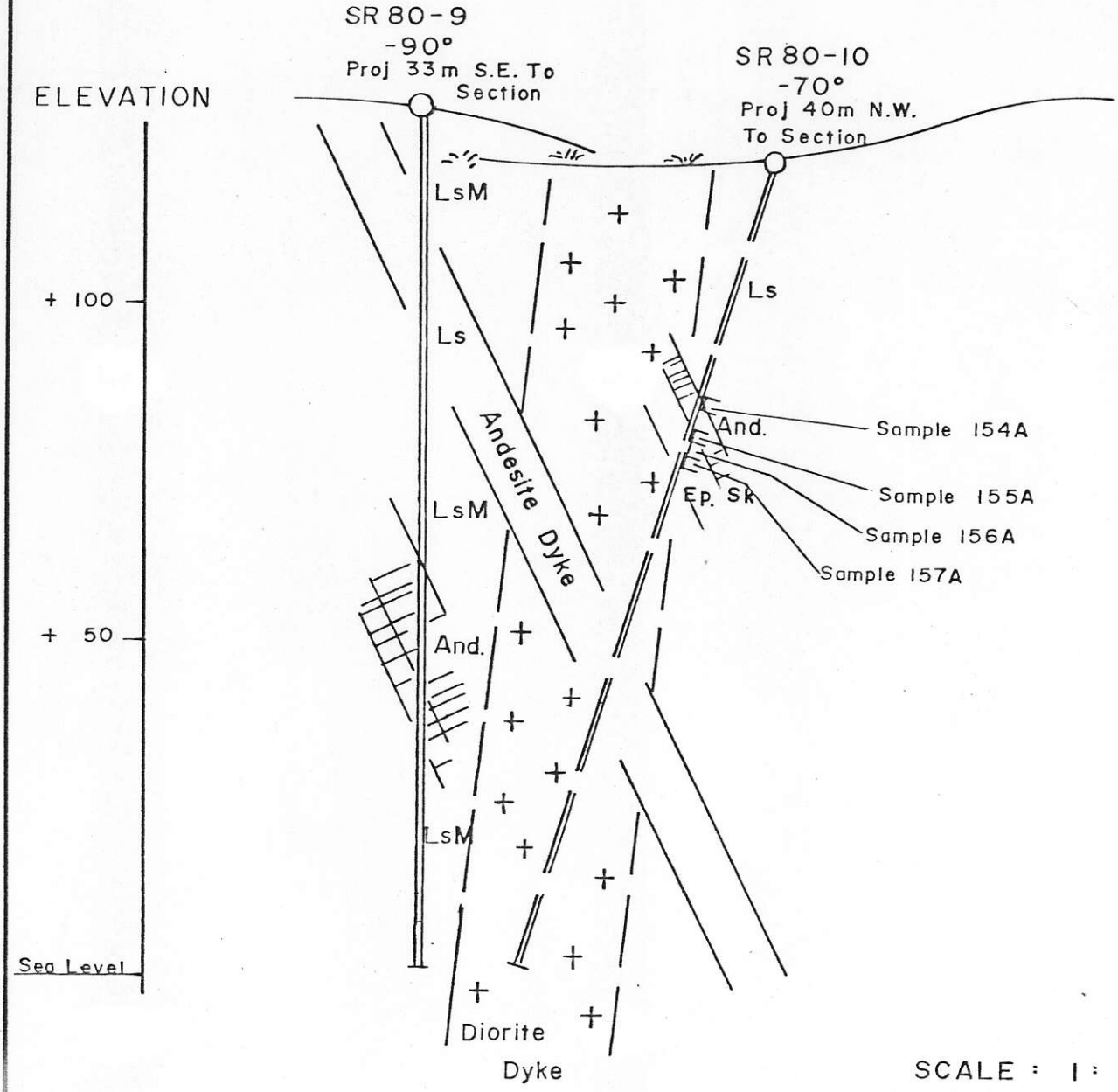


K.C. FAHRNI JANUARY, 1981

SHIMA RESOURCES LIMITED
BASIC II

CROSS SECTION AB WITH D.H.s PROJECTED TO SECTION

MAP 5.-15



SCALE : 1 : 1000

1 cm = 10 m

K.C. FAHRNI JANUARY, 1981